

## Message Text

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ACTION NEA-05

INFO OCT-01 ISO-00 ABF-01 FBO-01 /008 W

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R 010301Z NOV 73

FM AMEMBASSY DACCA

TO USIA WASHDC

INFO SECSTATE WASHDC 1294

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USIAC

E.O. 11652: N/A

TAGS: AFIN, BG

SUBJECT: USIS BANGLADESH RESTITUTION CLAIM

REF: A) USIA 20542, B) DACCA 4720

1. AS STATED PARA THREE REFTEL(B), TAKAS, RECEIVED IN PARTIAL REPAYMENT USIS RESTITUTION CLAIM DEPOSITED ACCOUNT 67X8779. THIS TRANSACTION WILL BE REPORTED IN THE OCTOBER USDO ACCOUNTS.

2. PARA TWO REFTEL (A) REQUESTED DETAILED JUSTIFICATION INTENDED UTILIZATION REFUNDED TAKAS. TAKAS WILL BE UTILIZED AS FOLLOWS:

3. FIRST PRIORITY - RESTITUTION TAKAS 1,727.78 OF USIS CASHIER RAJSHAHI DESTROYED IN FIRE. WILL BE ACCOMPLISHED BY NON-PAYMENT VOUCHER DEBITING 6740100 ALLOTMENT 01-4-38BG FOLLOWING RECEIPT USIS WASHINGTON ALLOTMENT. VOUCHER PAYABLE USDO WILL LIQUIDATE PETTY CASH ADVANCE OUTSTANDING FROM USIS RAJSHAHI.

4. SECOND PRIORITY: RESTORATION AND ALTERATION OF RAJSHAHI PROPERTY, ESTIMATED COST TAKA 59,125. THIS REQUIRED AS BUILDING RENOVATED AND STRUCTURALLY ALTERED AT USIS INSISTENCE WITHOUT COST TO USIS. LANDLORD VERBALLY ASSURED, BY THEN PAO, USIS WOULD COMPENSATE ANY DAMAGE. ON THIS BASIS, LANDLORD AGREED TO RENOGOTIATE LEASE ON APRIL 10, 1972. RENTAL PAID THROUGH MARCH 31, 1973 AND INTENT TO TERMINATE LEASE THAT DATE  
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GIVEN. TAKA 59,125 REPRESENTS RESTORATION, ALTERATION AND

RENOVATION COSTS, NOT RENTAL PAYMENTS NOR REIMBURSEMENT FOR EXTERIOR DAMAGES.

5. PRIORITY THREE: MYMENSINGH RESTORATION COSTS TAKA 11,785. SAME CONDITIONS APPLY AS ABOVE. POST PLANS HOLD THIS SUM IN ESCROW ACCOUNT FOR ABSENT LANDLADY.

6. POST FULLY AWARE STANDARD GOVERNMENT LEASE IN EFFECT MYMENSINGH AND RAJSHAHI COULD BE INTERPRETED TO AVOID RESTITUTION FOR RENOVATION COSTS THROUGH INTERPOSITION OF FORCE MAJEURE CLAUSE. HOWEVER, POST RECOGNIZING MORAL OBLIGATION OF USG, PLUS FACT THAT THESE AMOUNTS WERE INCLUDED IN REQUEST BY ITEM TO GBD WHICH LED TO EFFORTS BY LANDLORDS TO INFLUENCE GBD TO PROVIDE FUNDS FOR RESTITUTION, AND FACT THAT LANDLORD OF NEW PROPERTY ON ROAD 8 FULLY AWARE USIS HAD NOT PAID RESTITUTION FOR DECEMBER DAMAGES AND MADE THIS MAJOR ISSUE DURING NEGOTIATING SESSIONS, BELIEVE BASIC CREDIBILITY OF USG AT STAKE ON THIS ISSUE. FAILURE TO MAKE PROMPT PAYMENT JEOPARDIZES ABILITY OF MISSION TO HMSSE CURRENT AND ANTICIPATED PERSONNEL AS EXISTING LEASES EXPIRE.

7. PRIORITY FOUR: COST OF RELOCATING USIS DACCA TO ROAD 8 DHANMONDI AND ADAMJEE COURT BUILDING -- AGENCY AUTHORIZED TRANSFER. THIS BALANCE WILL BE USED TO OFFSET INCREASED COST OF TRANSFER.

8. PRIORITY FIVE: CONSTRUCTION OF AUDITORIUM. AS INSTRUCTED BY AGENCY, POST WORKING WITH LOCAL CONSTRUCTION FIRM TO MAKE STUDY OF STRUCTURAL LOAD FACTORS OF ROAD 8. DETAILED JUSTIFICATION OF PROJECT WILL BE SUBMITTED WITH STUDY AND PLANS OF THE BUILDING.

9. PARA 2 C REFTEL NEEDS SOME EXPLANATION. DACCA OFFICE SPACE RENTAL IS \$17,639. (TAKA 127,000 PER ANNUM) DACCA 3188 POINTED OUT THAT IF WE NEGOTIATED A NEW TWO-YEAR LEASE, THE LANDLORD WOULD WANT AN INCREASE TO \$21,010 (TAKA 150,000 PER ANNUM). BUT BECAUSE WE DID NOT RENEGOTIATE FOR 14 TOPKHANA OFFICE, RENTAL MONEY IN BASE REMAINS \$17,639. ACTUAL DACCA NON-RESIDENTIAL SPACE AND ESTIMATED EXPENSES FOR FY-74 AS FOLLOWS: LEASE FBO-271-1A, 14 TOPKHANA GOAD JULY THROUGH NOVEMBER \$5,838; LEASE FBO-331-1A ROAD 8 DHANMONDI LIMITED OFFICIAL USE

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SEPT 15-JUNE 30, 74, \$6,174; ADAMJEE COURT SPACE GROUND FLOOR NOV THROUGH JUNE, \$1,830; A TOTAL OF \$16,114 AGAINST FY-74 BASE OF \$17,639. HOWEVER, COST OF USIS OCCUPIED SPACE OF FOURTH AND FIFTH FLOORS OF ADAMJEE COURT YET TO BE DETERMINED BUT WILL EXCEED BALANCE FY-74. BASE.

10. REFTEL PARA 2 D. FY-74 GOING RATE FOR LOCAL SALARIES PROJECTED REQUIREMENTS OF \$155,457 WHICH WAS REDUCED TO

\$152,010. ACTUAL FIRST QUARTER EXPENSES WERE \$35,956 AND PROJECTED SALARY, CSR, SEVERANCE PAY AND TERMINAL LEAVE FOR FINAL THREE QUARTERS OF FY-74 ARE \$114,617 FOR TOTAL FY-74 ESTIMATE OF \$150,573. THESE PROJECTIONS INCLUDED ADDITIONAL SEVERANCE PAY AND TERMINAL LEAVE COSTS RESULTING FROM THE HIGHER LOCAL COMPENSATION WAGE SCALE NOW IN EFFECT AND THE DETERMINATION TO ELIMINATE MORE LOCAL POSITIONS THAN WAS ENVISIONED WHEN THE FY-74 GOING RATE WAS FORECAST. THUS THE APPROXIMATELY \$40,000 REQUESTED FOR FULL YEAR FY-74 WAGE SCALE REVISIONS ARE NOT SAVINGS; LARGE NUMBER OF SEVERANCE PAYMENTS, WHICH IN MOST CASES EXCEED A YEAR'S REGULAR SALARY, HAVE ABSORBED ALL THESE ALLOTTED FUNDS.

11. REFTEL REQUESTS POST REVIEW TOTAL FINANCIAL PICTURE AND PROVIDE DETAIL BEFORE AGENCY PROVIDES DISPOSITION RESTITUTION FUNDS. POST FINANCIAL PLAN OF OCTOBER 11, 1973 CONSTITUTES EXACTLY SUCH A REVIEW OF FY-74 REQUIREMENTS AND SHOULD SERVE AS THE BASIS FOR AGENCY ALLOCATION OF RESTITUTION FUNDS.  
DAVIES

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